

PHILIP MORRIS MANAGEMENT CORP.

INTER-OFFICE CORRESPONDENCE

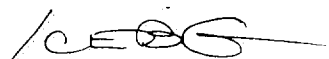
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ATTORNEY-CLIENT PRIVILEGED

TO: Ken Houghton

DATE: August 4, 1993

FROM: Charles Glenn



RE: Awareness of Beta in Japan

We enclose a summation of cases on the Beta patent docket that may have become known to JTI either through the cases either being issued in the U.S. or provisionally published in Japan.

As the enclosure reveals, the earlier "Flavor Dot" and Flavor Bed" applications have been made known in Japan. These cases provide an indication of the general interest of Philip Morris in pursuing the development of electrical cigarettes and includes some fundamental concepts that remain viable.

The provisional publication of PM 1481 in Japan is more pertinent to the current Beta configurations. Although PM 1481 is fairly generic to the current designs, PM 1481 discloses heaters which, preferably, plow somewhat into the outer surface of an extruded tobacco rod, whereas the sinusoidal heaters of today rely substantially upon surface to surface contact with a cigarette cartridge comprising a rolled carbon mat and cigarette wrapper.

We can anticipate that our patent applications on the latest Beta configurations will be published internationally on or about March 11, 1994.

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